

Connections

An **Office of Retirement Services** Publication

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Our Purpose

We are an innovative retirement organization driven to empower our customers for a successful today and a secure tomorrow.

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Low cost quality service

Each year, the Office of Retirement Services is ranked against other retirement system peers to evaluate how we're doing in various categories. The information we receive helps us determine how we can continue to improve each year.

We are pleased to report that our administrative cost per member this year was again much lower than most of our peers. Considering the complexity of the retirement systems we administer, the data concludes we are a low-cost system that provides efficient service to our members. Our cost per member was \$39 compared to the peer median of \$69 per member.

Other noteworthy highlights:

- We are a large system compared to our peers. ORS has 541,735 active members and retirees while our peers have a median of 415,100 active members and retirees.
- We operate efficiently. ORS administers 4,459 active members and retirees per employee. This is the highest ratio of any of those ranked worldwide.

Why we participate

The extensive survey process examines what we do in terms of operations. This year, 77 other leading retirement systems around the globe (*the United States,*

Canada, the Netherlands, Australia, and Denmark)

were included in this benchmarking service. Of those, 14 retirement systems similar to ORS in membership size and nationality formed our peer group. The data we

receive serves as a tool to help accomplish a number of objectives:

- To better understand our business. How we are alike and how our business differs from our peers guides us in our business decisions.
- To better measure and manage our performance. Monitoring our annual progress on a more global level helps us identify what is important in retirement administration.
- To assess and improve our customer service. By analyzing what others in the pension industry are doing, we can learn from the best and adapt our programs accordingly.

Our average operating cost per member is \$39 compared to \$69 per member of our peers.

From the Director



I've been with the Office of Retirement Services for over 20 years and it's fascinating to think of all of the changes and enhancements to our services I've witnessed. I can say with great confidence that our staff are doing their part to make sure our retirement system is the best that it can be.

One thing we do to help accomplish this goal is to try our best to be a "green" office. Our new online access tool, miAccount, and our new automated forms delivery process are a few examples of technology solutions that we have recently implemented. These efforts help us provide better service to you and eliminate expenses to the retirement system, and at the same time are environmentally friendly. To ensure that we are doing our part, a group of staff, the Green Team, is continually looking at how we can live our office life greener. Reducing task lighting and printing, recycling paper, and reusing office supplies are just a few examples of how we do our part to work as a "green" office.

In addition, here are a few things that you can do to help:

1. **Use miAccount.** This new tool provides you immediate access to your retirement account. Using our online service will save you a phone call and allow you to update your information with us instantly.
2. **Sign-up for electronic funds transfer (EFT)** if you haven't already through miAccount. This service instantly deposits your pension for you — saving you a trip to the bank.
3. Remember to **share all the good things about Michigan** with your family and friends. The more we do to promote our state, the better off our economy and thus our retirement system will be.

I'm sure you have many other "green" habits that you practice on a regular basis. I'm proud of our beautiful state, proud of our retirement system that we serve, and I hope you are too.

Sincerely,

Phil Stoddard, Director
Office of Retirement Services

WHAT YOU'RE SAYING ABOUT



Congratulations on a fantastic new web application—miAccount! It worked on the first try with no problems. Great job. Thank you.

I want to compliment you on the nice, user-friendly website.

*Have you checked out our new online account tool, miAccount? If not, log on today at www.michigan.gov/ORSSchools and click the **miAccount** button. Choose your retirement system and then the **Register Now** button at the top right corner.*

This website is awesome!!!! I love it. A great improvement. Now I feel like I have control. Wow, cool!!!! Great improvement. Thank you.

Dear ORS. Just a note to say thank you for the terrific site at miAccount. It's a great resource for the user. Thanks.

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New options when marrying

In the past, if you married or remarried after your pension began you could not name your new spouse as a pension beneficiary. However, Public Act 617 of 2006, which goes into effect January 1, 2009, now permits this under certain conditions.

If you were married at the time of retirement and you selected a survivor option, you can name a new spouse if your first pension beneficiary was a spouse and he or she is now deceased.

If you were single at the time of retirement you can name a new spouse as long as you selected a straight life option when you applied for your pension.

If you add your new spouse as a pension beneficiary, your pension will be recalculated using current actuarial tables. This will result in a reduction of your pension. If you were married at the time of retirement the same survivor pension option (100 percent, 75 percent, or 50 percent) that you selected will remain in effect for your new spouse.

Time limits and payments

You must wait 179 days after marriage before naming your new spouse as a pension beneficiary. The request must be made in writing to ORS and must be made within one year of your marriage. The necessary form for naming a new spouse will be available on our website at www.michigan.gov/ORSschools by January 1, 2009.

If you married after your retirement effective date but before January 1, 2009, you will have a window period of 180 days beginning January 1, 2009, during which you may name a new spouse as a beneficiary.

Upon your death

If you pass away within 12 months of naming your new spouse as a beneficiary the pension payment to your surviving spouse will end 12 months after your death.

If you pass away after 12 months of naming your new spouse as a beneficiary the pension payment will be paid for the lifetime of your surviving spouse.

Subsidized group insurance coverage for your new spouse will end upon your

death. However, your spouse may choose to continue unsubsidized insurance coverage provided by the retirement system by paying the full cost of the premium.

Visit our website at www.michigan.gov/ORSschools for more information as January 1, 2009 approaches.



Get your 1099R early!

If you have been retired more than a year, you know that our office mails a 1099R annually for you to report your pension income to the IRS. Thanks to miAccount, a secure section of our website, you can get your 1099R online as early as January 2. The ability to print or reprint your 1099R at your convenience lets you file your tax return earlier.

Along with accessing your 2008 1099R, with miAccount you can view and print your previous years' 1099R forms back to 2002.

Log on to miAccount at www.michigan.gov/ORSschools, click the miAccount button, and choose your retirement system. If you haven't registered for miAccount yet, click the **Register Now** button at the right. After you have accessed the system, you will find your 1099R under the **Pension Payment** tab on the left. Don't forget, you can use miAccount's secure Message Board to get fast answers to questions you have about your account.

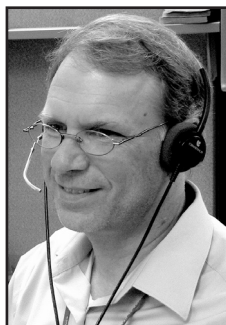
SUPPORT OUR GREAT STATE

Whether it's buying produce along the side of the road or planning a day trip, start here in Michigan. Our great state is known for our fresh produce, beautiful vineyards, color tours—and the list is as long as the miles of shoreline.

Take advantage and enjoy our great state. Checkout www.michigan.org.

Ask an Expert

ORS experts answer frequently asked questions



Q: Sometimes when I call, it's hard to get through. What can I do?

A: We strive to provide the best possible service, but with over 500,000 customers, sometimes our customers wait on the phones longer than we would like. Because we value your time, a secure Message Board has been introduced for your questions. You can leave a message on this site and a customer service representative will research your questions and respond to you as soon as possible. ORS has dedicated itself to responding to your Message Board questions within 12 business hours. Go to www.michigan.gov/ORSschools and click on the miAccount button to access the Message Board.

Q: What else can I do on miAccount?

A: You can do all of these transactions on miAccount:

- Print your 1099R. (See article in this issue of *Connections*.)
- Update your mailing address, phone, and email address.
- Manage your electronic funds transfer.
- Change your federal tax withholding.
- Print an income verification letter for mortgage or health care purposes.
- View and print your pension payment details.
- Calculate your earnings limit if you are thinking about returning to public school employment.

Q: Can I use miAccount any time of day or night?

A: You can access miAccount beyond normal office hours, as early as 5:00 a.m. and as late as 11:00 p.m. This makes getting answers to your questions more

WHEN TO CONTACT ORS

Not sure what needs to be reported? Here we list the most common situations that would require you to update your information.

Address, Tax, or Direct Deposit Changes. It is critical that you update our office with these kinds of changes and the fastest, easiest way to do this is through miAccount. Our new online tool, miAccount, allows you to make instant changes to your account at your own convenience rather than calling our offices during work hours. If you haven't created your user ID yet, create one today so you'll be ready to make any tax changes needed for next year.

Death. Our office should be notified immediately upon the death of a pension recipient, a pension beneficiary, or anyone enrolled in your health, dental, or vision insurances.

Divorce. Notify ORS immediately if your ex-spouse is enrolled in your insurances. And, if you elected a survivor option with your ex-spouse as beneficiary, it's best to contact us before your divorce is final because we can only change your pension if ordered by the court.

Marriage. Notify our office within 30 days whenever an insurance dependent marries. Complete an *Insurance Enrollment/Change Request* form available on our website and send it to our office with the required documents.

Medicare. Any person enrolled in your health insurances must sign up for Medicare Parts A and B when first eligible. If this happens before age 65, complete an *Insurance Enrollment/Change Request* form available on our website and send it to our office with the required documents.

Details about reporting these and other life events, as well as forms you'll need, can be found online, using miAccount, or by contacting us.

Pension Pay Dates

Pension payments are issued on the 25th of the month. If the 25th falls on a weekend or holiday, your pension will be paid the previous business day.

If your EFT is not credited within three days after that date, please contact ORS. If your check is delayed, we can reissue it after the seventh of the following month.

Holidays

ORS offices will be closed on the dates listed below.

November 4 - Election Day
November 11 - Veterans Day
November 27 & 28 - Thanksgiving
December 24 & 25 - Christmas
December 31 & January 1 - New Year's Holiday
January 19 - Martin Luther King Jr. Holiday
February 16 - President's Day